

REPORT OF THE DIRECTORS

OF THE

Boston & Maine Railroad

TO THE

STOCKHOLDERS.

Wednesday, Dec. 10, 1873.

BOSTON:

ALFRED MUDGE & SON, PRINTERS, 34 SCHOOL STREET.

1873.

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BOARD OF DIRECTORS.

NATHANIEL G. WHITE, LAWRENCE.

E. J. M. HALE, HAVERHILL.

GEORGE C. LORD, BOSTON.

AMOS PAUL, So. NEWMARKET, N. H.

JOHN E. BICKFORD, DOVER, N. H.

*CYRUS WAKEFIELD, WAKEFIELD.

NATHANIEL J. BRADLEE, BOSTON.

* Deceased.

ANNUAL REPORT.

To the Stockholders of the Boston and Maine Railroad:

THE Directors respectfully submit the following report, exhibiting the result of the operations of the road for the year ending September 30th, 1873:—

The gross receipts of the year ending September 30th, 1873, were	\$2,300,093 68
The operating expenses were	1,727,825 00
Net earnings for the year	<u>\$572,268 68</u>

Being a little more than eight per cent upon the whole capital authorized.

The gross earnings of the twelve months ending September 30, 1872, were	\$2,046,142 19
And the expenses for the same time were	1,542,026 00
Showing an increase in the receipts of the present year over the previous year of	253,951 49
And in the expenses of	185,799 00
The net income for the year ending September 30, 1872, was	504,116 19
Showing an increase in the net income of the present year over the previous year of	68,152 49

The expenses of the past year have been large; this results in part from the severity of the last winter, which for the transaction of railroad business was the most severe known for years, and put to the severest test all our rolling stock, increasing greatly our expenses.

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The extra cost of steel rails over that of iron has been about forty dollars per ton, all of which has been charged to our running expenses.

We have applied the Miller platform to most of our cars, and the air-brake to many of our cars and engines, both of which outlays the public demanded. These improvements have cost us a large sum of money, but we believe they add much to our safety in the running of trains.

The passenger and freight business of the past year, as compared with that of the year previous, stands as follows :

1872.

Passengers carried	.	.	.	.	.	4,135,469
“ “ one mile	.	.	.	.	.	57,247,475
Tons of freight carried	.	.	.	.	.	520,722
“ “ “ “ one mile	.	.	.	.	.	20,769,207

1873.

Passengers carried	.	.	.	.	.	5,008,074
“ “ one mile	.	.	.	.	.	61,760,456
Tons of freight carried	.	.	.	.	.	542,004
“ “ “ “ one mile	.	.	.	.	.	20,927,664

Showing a net gain of 872,605 passengers ; and for one mile, 4,512,981 ; and in freight a gain of 21,282 tons ; and for one mile, of 158,457 tons.

During the year we have added to the equipment 18 new passenger cars, including 3 parlor cars ; 1 long baggage car, besides 177 freight cars ; 1 long freight buggy car, and 1 snow plow. We have also added two first-class passenger, and four first-class switching engines. We have now 120 passenger cars, including 3 parlor cars, 1,400 freight cars, and 69 locomotives. Our road bed and superstructure has been kept in good condition, and at the present time is

believed to be equal to the best road in New England. We have constructed a new draw in our bridge over Miller's River, at an expense of twenty-seven thousand dollars, and finished the widening of our bridge over Charles River, on account of which we have paid during the past year \$54,-356.79. We have built a new brick tank house at Lawrence, and a new passenger house at Reading, at a point about one half a mile above the present station. All our local Reading trains will run to and depart from this new station. This is done for the purpose of developing a large territory most eligibly located for building purposes. Already some half a dozen first class dwellings have been erected near the site of our new station in anticipation of the increased railroad facilities to be secured at that point. About four acres of land have been secured to us by those interested in the building up of this new territory. This land will be required by us for additional room for the erection of car houses, an engine house, etc.

A new brick passenger house is now being constructed at Dover. Also, a new passenger house has been contracted for, to be erected at Bradford, so soon as the necessary consent can be obtained from the selectmen and the Railroad commissioners for a change in the location of the station at that point.

On the sixth day of December last, the last rail was laid on our extension to Portland, and on the fifteenth day of February, thereafter, through freight trains commenced running over our own road from Boston to Portland, and a month later, through passenger trains. Since that time we have run our regular passenger and freight trains between the two cities. We have not yet obtained that connection at Portland with the Maine Central road, for either passengers or freight, which we believe the public are entitled to by the charter of that road, and the laws of the State of Maine. The public are compelled, by the policy adopted

by the Maine Central Railroad managers, to tranship at Portland at great expense and inconvenience, all freight, and all passengers and their baggage.

We know well that this opposition by the Maine Central road to the opening of a through line from Bangor to Boston over the Boston and Maine Railroad, is a much greater hardship to the people of the State of Maine than to the stockholders of this road. We are content to await the final action of the courts, and the people, who will most surely apply a remedy that will hereafter set at defiance the iron monopoly to which they are now subjected.

We have now completed our road to Maple Street, the point designed for the location of our permanent passenger station in Portland.

Near this point we cross Commercial Street to our wharf. By means of this crossing, we form an indirect connection with the Grand Trunk road for freight purposes. We hope soon to make the direct connection with this great and important line of road to the West, and thus secure the same facilities for passengers which are possessed by other roads.

The subject of obtaining communication with deep water in Portland early suggested itself to your Directors, and after more than fifteen months negotiations with the owners of various wharf property in that city, they, on the fifteenth day of May last, brought these negotiations to a close by the purchase of Smith's wharf, at an expense of \$200,000. This wharf is situated directly opposite the grounds intended for our permanent passenger house. The wharf property contains about eight and one half acres, about five of which is solid, and the balance dock, with a frontage on Commercial Street of four hundred and twenty-six feet, and a depth of about one thousand feet, on which are several large and substantial warehouses of brick and wood, with a track for both broad and narrow gauge cars extending the whole length

By means of this purchase, and the rail connection secured thereby, we are enabled to place our cars within the yards of the largest lumber dealers in Portland, and within the means of close connection with steamers for Halifax, St. John, Bangor, Mt. Desert, etc. This property is now largely occupied by lumber and coal dealers, and pays us in rental a little more than five per cent on our investment, and since its connection with our main track by means of *the frog* across Commercial Street, and the indirect connection with the Grand Trunk road, our freight receipts from this connection alone have been increased at least two hundred dollars per day. At the close of business on the 30th day of September last, there had been expended on account of the extension in Maine, \$3,941,322.76, as follows:—

Graduation and Masonry	\$1,545,664 70
Land	1,106,228 42
Engineering and other expenses	157,242 86
Superstructure, including iron	649,744 01
Bridges	311,334 75
Stations and buildings	145,807 71
Fences	25,300 31
	<hr/>
	\$3,941,322 76
Less amount expended as per last report	2,140,029 48
	<hr/>
Amount expended year ending September	
30, 1873	\$1,801,293 28

This amount exceeds the expectation of your Directors; but a look at the items will disclose to you the very large amount expended for land, which includes not only your right of way, so far as settled for, but also most of the lands purchased along the line of your extension, in the various towns and cities through which we pass, and at Portland, together with your extensive wharf property in Portland.

Some of this land can be disposed of at a considerable advance on the sum paid for the same, when our road is fully completed, and we are enabled to see what we require. In this connection it is proper to say, that this extension of your road in Maine, in respect to its allignment and grades, and consequent facility of operation, the adaptation of the location to its business, the strength and stability of its masonry and bridges, and the general thoroughness of the work, challenges a comparison with any other forty-four miles of railroad ever built.

By an act of the legislature of Massachusetts, approved March 15, 1873, this corporation was authorized to build a wharf in Somerville, on the southerly side of Mystic River. On the twenty-second day of May last, operations were commenced under the authority of said act, and have progressed favorably. We have built of pile structure about twelve hundred feet in length by thirty-one feet wide; have constructed on the west side of our bridge at this point a substantial sea wall, 625 feet long, and 10 feet high; and have dredged already a space some 60 feet wide, the whole length of the pile structure to the full depth required. We hope to have the whole completed early next year. We have expended up to October 1, 1873, on this improvement at Mystic River, not including the original land purchase, the sum of \$61,412.53.

We have expended in construction during the past year on our new location between North Andover and Bradford, \$13,406.95, making the whole expenditure for this improvement to the present time, \$205,504.64.

On the ninth day of January last, the West Amesbury Branch Railroad, which is leased to this corporation, was opened to the public, since which time trains have run three times each way daily, between West Amesbury and Newton

Junction, connecting at that point with trains on our main line.

By the extension of this branch about four miles to Amesbury Mills, our main road would add considerably to its present business from the branch.

In accordance with your vote passed on the fourth day of June last, your Directors have entered into an agreement for a lease of the Lowell and Andover Railroad, which we have reason to believe will be constructed at an early day, and prove beneficial to this road.

The whole length of road constructed by this corporation is $126\frac{1}{2}$ miles. The whole length now operated by us, including the Danvers, Newburyport, Dover and Winnipisseggee and West Amesbury Branch railroads, is $192\frac{1}{4}$ miles.

The question of title to that portion of our freight premises, in Boston, seized by the Eastern Railroad Company, under the authority of an act of the Massachusetts legislature, has been submitted to the courts, and decided against us. The land thus taken is very valuable, but has not yet been paid for; a commission to be appointed will fix the value of the same.

Since our last Annual Report, business has received severe blows from many disturbing elements. Early in the fall of 1872, came the horse distemper, affecting not only the business of Boston but that of all New England. Following close upon this came the terrible conflagration in Boston, on the 9th and 10th of November, the results of which created enormous disturbances in all business relations and connections, by the laying waste of about seventy acres of land, and the absolute loss of nearly \$80,000,000 of property; and more recently the money panic, seriously affecting the general business of the country, and especially all business upon which railroads rely for their support.

Notwithstanding all these disturbing elements, the busi-

ness of our road during the past year has been satisfactory, with a handsome increase over the year previous.

The accounts of the treasurer have been examined by the auditor, Mr. A. R. Turner, and he reports them to be correct.

The Board would cheerfully acknowledge their obligations to the various officers and employees of the road, through whose agency the operations for the year have been brought to a successful termination.

In closing this report, it becomes our painful duty to announce the death of Cyrus Wakefield, a Director, and one of the largest stockholders in this corporation. Mr. Wakefield died very suddenly on the twenty-sixth of October last. He had been connected with the management of this road about two years. He was a man of great business energy and generous impulses, and will be much lamented by the whole business community.

Respectfully submitted,

By order of the Board,

N. G. WHITE, *President*,

Boston, Nov. 4, 1873.

A.

Dr. *Balance Account, after closing Books.*

CONSTRUCTION AND IMPROVEMENT ACCOUNTS, — \$10,152,845 48

PROPERTY ACCOUNTS —

Car-shop stock	\$60,659 18	
Engine-shop stock	19,662 03	
Wood, amount on hand	32,786 88	
Oil, amount on hand	2,107 00	
Waste, amount on hand	835 44	
Iron rails, amount on hand	163,550 11	
Ties, amount on hand	11,692 51	
Coal, amount on hand	46,798 55	
		\$338,091 70

ASSETS ACCOUNTS —

Cash	\$10,559 48	
Uncollected freight bills, etc.	98,908 75	
U. S. Post-office department	1,411 56	
Land improvements, Dr. W. R. R.	24,607 61	
Grand Trunk Railway	4,733 49	
Portland and Rochester R. R.	2,127 05	
Stoneham St. R. R.	710 35	
Amesbury Branch R. R.	2,388 09	
Maine Central R. R.	999 42	
Eastern R. R.	886 62	
Notes receivable	1,134 64	
Steamer "Mt. Washington," and wharfs . .	69,408 49	
Uncollected interest on delayed payments for new stock	58	
Sundry accounts, and sundry R. Rds.	2,046 35	
Boston and Maine R. R. Stock at par	27,000 00	
Danvers R. R. bonds indorsed by us, taken at par	73,000 00	
Danvers R. R. account	27,430 00	
Newburyport R. R. as per agreement	303,768 00	
Great Falls and Conway R. R. bonds guaran- teed by Eastern R. R. in N. H.	20,000 00	
Insurance scrip	640 00	
Dover and Winnipicogee R. R. stock	263,144 48	
		934,904 96
		\$11,425,842 14

A

For the Twelve Months ending Sept. 30, 1873. CR.

CAPITAL STOCK ACCOUNT --

Received from sale of 70,000 shares \$6,921,274 52

LIABILITIES --

Amount of 1893 bonds 7%, issued up to Sept. 30th, 1873	\$1,227,500 00	
Notes payable	1,629,699 08	
Uncalled for wages	2,458 80	
" " Dividends	6,862 00	
" " Bond interest, due July 1st, 1873 .	525 00	
" " Interest due Stockholders on account of new stock	652 50	
Danvers Railroad rent account	1,885 00	
Cash receipts from Sept. 30 to Oct. 15, inclusive, on account of Freight bills, etc. . . .	107,919 24	
Sundry accounts	5,805 44	
Boston and Providence R. R.	80 45	
Boston, Concord and Montreal R. R.	1,134 74	
Boston and Lowell, and Nashua and Lowell R. R.	19,314 85	
Concord R. R.	3,178 26	
Concord and Claremont R. R.	274 36	
Contocook River R. R.	33 60	
Dover and W. R. R.	12,083 30	
Manchester and Lawrence R. R.	17,338 79	
Manchester and North Weare R. R.	224 95	
Northern R. R.	2,752 20	
Portland, Saco and Portsmouth R. R.	111,448 33	
Suncook Valley R. R.	227 82	
Vermont Central R. R.	1,298 89	
Portland and Ogdensburg R. R.	3,883 69	
New England and Nova Scotia S. S. Co. . .	228 00	
International S. S. Co.	368 50	
Portland, Bangor and Machias S. S. Co. . .	3,081 00	
Sebago S. S. Co.	9 75	
Deposits on account of Newburyport R. R. bonds	480 00	
Amount payable on account of Newburyport R. R. bonds as per agreement	1,490 00	
	<hr/>	\$3,162,238 54
Profit and Loss. Net earnings, six months ending Sept. 30, 1873		290,677 46
Suspense account		33,373 92
General reserve account, being undivided earnings to March 31, 1873, as described in Table C		1,018,277 70
	<hr/>	<hr/>
		\$11,425,842 14
		<hr/>

B.

Statement of Capital Stock, and Construction and Improvement Account, September 30, 1873.

CAPITAL.

Received from the sale of 70,000 shares \$6,921,274 52

CONSTRUCTION.

Graduation and Masonry	\$2,571,305 26	
Bridges	809,475 75	
Superstructure, including Iron	1,713,385 49	
Stations, Buildings, Fixtures and Furniture,	988,599 73	
Land, Land Damages and Fences	2,292,419 18	
Engineering and other expenses	442,255 86	
	<hr/>	\$8,817,441 27

EQUIPMENT.

69 Locomotives	\$529,545 18	
149 Passenger and Baggage Cars	335,724 67	
1,636 Merchandise and other Cars	470,194 36	
	<hr/>	\$1,335,404 21
Total cost of Road and Equipment		\$10,152,845 48
In Construction account	\$6,921,274 52	
In Improvement account	3,231,570 96	
	<hr/>	\$10,152,845 48

C.

Statement of Undivided Earnings, Sept. 30th, 1873.

Balance as per Report, Sept. 30th, 1872	\$1,016,686 48	
Earned this year over expenses, as per Table D, \$572,268 68		
Less Dividend 4%, May 15th, 1873	280,000 00	
	<u>\$292,268 68</u>	
Less Profit and Loss ac. as described in Table A, 290,677 46		
		<u>1,591 22</u>
General Reserve account, March 31st, 1873, as described in		
Table A	\$1,018,277 70	

The above balance of \$1,018,277.70 is invested as follows :

In Newburyport Railroad Bonds	\$303,768 00
In Danvers Railroad Bonds (guaranteed by this Corporation), 73,000 00	
In Danvers Railroad Contract and Stock	27,430 00
In Dover and Winulpsieogee Railroad Stock	263,144 48

The remainder, in expenditures on the Road, Rolling Stock, etc., in addition to the capital received from the sale of stock. It is, therefore, only an element indicating, in some measure, the value of the stock above par; but, it is not available for the payment of debts or dividends.

D.

Comparative Statement of Earnings and Expenses.

EARNINGS.

Year ending Sept. 30, 1872.		Year ending Sept. 30, 1873.
\$1,092,600 49	Passenger	\$1,302,190 55
813,204 26	Freight	820,512 44
43,423 35	Rents	42,022 16
14,525 83	Mails	14,551 25
40,917 90	Expresses	42,407 93
41,470 36	Interest and Premium	78,409 35
\$2,046,142 19		\$2,300,093 68

EXPENSES.

\$199,019 83	Repairs road	\$216,657 51
47,277 92	“ bridges	27,530 80
15,793 15	“ fences, etc. . . .	10,324 31
99,345 87	“ stations	91,253 87
79,747 03	“ locomotives	88,658 86
66,200 80	“ pass. & bag. cars,	53,584 43
70,574 97	“ merchandise “	34,872 24
990 11	Removing ice and snow,	6,264 88
60,938 31	{ Switchmen, gatemen, }	77,516 20
	{ sig'lmen & w'tchmen, }	
195,721 87	Passenger expenses	232,349 34
165,679 80	Freight “	188,430 84
60,988 34	Wood	56,960 75
8,461 77	Water	6,282 37
16,220 88	Oil	20,796 67
4,810 61	Waste	5,313 16
21,641 86	Gratuities & damages	11,585 44
39,924 19	General expenses	37,364 20
81,525 04	Taxes	86,168 61
8,027 14	Insurance	10,749 89
7,500 00	Danvers Railroad rent,	7,500 00
146,315 58	Coal for locomotives	204,816 52
137,324 77	Renewal of rails	138,868 13
	Interest paid	74,434 55
4,793 27	Telegraph	5,678 93
	Bond, int. due July 1, 1873,	33,862 50
\$1,538,823 11		\$1,727,825 00
\$507,319 08		
3,202 89	Less, tax on dividends and surplus.	
\$504,116 19		
\$504,116 19	For 12 months,	

Net earnings for the year ending Sept. 30, 1873, \$572,268 68
 1,215,996 Miles run, 1,458,963.

BOSTON AND MAINE RAILROAD.

THE Annual Meeting of the Stockholders of the Boston and Maine Railroad, will be held at LAWRENCE, in the City Hall, on WEDNESDAY, the tenth day of December next, at Ten o'clock, A.M., for the following purposes, viz : —

1. To act upon any amendments to the third article of the By-laws.
2. For the choice of Directors for the ensuing year.
3. To act upon the question of funding the debt of this Company, and providing means for the completion of its road by the issue of bonds or otherwise.
4. For the transaction of any other business which may legally be brought before them.

By order of the Directors,

CHAUNCEY P. JUDD, *Clerk.*

BOSTON, Nov. 4, 1873.



